

Message Text

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15

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 STR-04 AGR-10 /082 W

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R 050841Z JUN 75

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 6037

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS THE HAGUE 2838

E.O. 11652: N/A

TAGS: EFIN, EIND, NL

SUBJECT: GOVERNMENT EXPANDS DOMESTIC INVESTMENT INCENTIVE PROGRAM

1. IN KEEPING WITH THE GOVERNMENT'S POLICY OF STIMULATING INVESTMENT IN THE LESS INDUSTRIALLY DEVELOPED AREAS OF THE COUNTRY, THE ECONOMIC AFFAIRS MINISTER ANNOUNCED ON MAY 14 EXPANSION OF THE GOVERNMENT INVESTMENT SUBSIDY PROGRAM. HERETOFORE PROGRAM HAS PROVIDED FOR DIRECT GRANT TO, LOANS OR OFFICIAL PARTICIPATION IN INDUSTRIAL AND CERTAIN SERVICE ENTERPRISES UNDERTAKING NEW INVESTMENT OR EXPANDING EXISTING FACILITIES IN DESIGNATED DEVELOPMENT AREAS (THESE AREAS ARE MAINLY IN NORTHEASTERN PROVINCES AND FAR SOUTH).

2. ENTERPRISES PLANNING ESTABLISHMENT OF NEW INDUSTRIAL FACILITIES (FOR SERVICE FACILITIES CONTRIBUTING TO FURTHER ECONOMIC EXPANSION) IN DESIGNATED DEVELOPMENT AREAS HAVE BEEN ELIGIBLE FOR SUBSIDY OF UP TO 25 PERCENT OF VALUE OF INVESTMENT IN FIXED ASSETS, WITH MAXIMUM GRANT SET AT 3 MILLION GUILDERS. ELIGIBLE ENTERPRISES MAY NOW CHOOSE BETWEEN RECEIVING PAYMENT OF SUBSIDY EITHER IN ONE LUMP SUM OR IN FIVE YEARLY INSTALLMENTS; IN CASE OF

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INSTALLMENTS, TOTAL AMOUNT OF SUBSIDY PAID IS INCREASED BY

SIX PERCENT OF NEW ASSETS VALUE. ENTERPRISES CONTEMPLATING EXPANSION OF ALREADY EXISTING FACILITIES IN DEVELOPMENT AREAS MAY BE ELIGIBLE FOR UP TO 15 PERCENT SUBSIDY OF VALUE OF INCREMENTAL INVESTMENT, INCREASED BY 5,000 GUILDERS PER JOB FOR EACH NEW JOB CREATED AS A RESULT.

3. GEOGRAPHIC AREA IN WHICH INVESTMENT SUBSIDY PROGRAM IS APPLICABLE HAS BEEN EXPANDED TO INCLUDE NUMEROUS LOCALITIES OUTSIDE TRADITIONAL DESIGNATED DEVELOPMENT AREAS (NORTHEAST AND FAR SOUTH), SUCH AS ENSCHEDE IN THE EAST AND BERGEN OP ZOOM IN THE WEST.

4. INVESTMENT SUBSIDY PROGRAM IS ADMINISTERED BY NOM (NOORDELIJKE ONTWIKKELINGS MAATSCHAPPIJ) FOR INVESTMENTS IN NORTHERN AREAS OF COUNTRY AND BY THE LIMBURG INDUSTRIAL BANK IN THE SOUTH. FOREIGN INVESTORS QUALIFY FOR BENEFITS ON SAME BASIS AS NATIONALS, IE, THERE IS NO DISCRIMINATION AGAINST FOREIGN INVESTORS.
TANGUY

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Message Attributes

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